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October 10, 2006

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**REQUEST TO ACCEPT COMPROMISE OFFER OF SETTLEMENT  
(ALL DISTRICTS AFFECTED - 3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

Authorize the Director of Health Services or his designee to accept the attached offers of compromise, pursuant to Section 1473 of the Health and Safety Code, to settle the following individual account for patients who received medical care at non-County facilities under the Trauma Center Service Agreement:

(1)	Account Number EMS 72	\$33,086
(2)	Account Number EMS 73	\$5,000
(3)	Account Number EMS 74	\$4,700
(4)	Account Number EMS 71	\$3,800

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:**

The compromise offers of settlement for patient accounts (1) – (4) are recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department will be able to receive under the tort settlements involved in these cases.

The County has entered in a number of agreements with non-County medical facilities under which it pays for trauma care provided to eligible indigent patients at those facilities. This agreement allows the County, after it has made payment for a particular patient, to pursue recovery from third parties, who are financially responsible for such trauma care.

The best interests of the County would be served by the approval of these compromises since it will enable DHS to maximize net recovery on these accounts.

**Implementation of Strategic Plan Goal:**

The recommended action will satisfy County Strategic Plan Goal #4, Fiscal Responsibility.

**FISCAL IMPACT/FINANCING:**

This will expedite the County's recovery of trauma funds totaling approximately \$46,586.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS:**

On January 8, 2002 the Board approved an ordinance granting the Director of Health Services (Director) authority to reduce patient account liabilities when it is in the best interest of the County to do so. The ordinance was adopted by the Board on January 15, 2002.

On November 1, 2005, the Board approved a revised ordinance granting the Director authority to reduce, on an account specific basis, the amount of any liability owed to the County which relates to medical care provided by third parties for which the County is contractually obligated to pay, and related to which the County has subrogation or reimbursement rights. The revised ordinance was adopted by the Board on December 8, 2005.

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50% of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

The compromise of these accounts is not within the Director's authority, so the Director is requesting Board approval of these compromises.

**CONTRACTING PROCESS:**

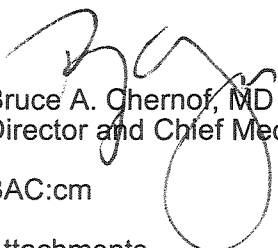
Not applicable.

**IMPACT ON CURRENT SERVICES (OR PROJECTS):**

All payments received will replenish the Los Angeles County Trauma Fund.

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,

  
Bruce A. Chernof, MD  
Director and Chief Medical Officer

BAC:cm

Attachments

- c. Chief Administrative Officer  
County Counsel  
Executive Officer, Board of Supervisors

**DATA FOR COMPROMISE SETTLEMENT****COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES****TRANSMITTAL No. 1  
DATE: October 10, 2006**

<b>Total Charges (Providing Facility)</b>	\$122,293	<b>Account Number</b>	EMS72
<b>Amount Paid to Providing Facility</b>	\$26,500	<b>Service Type</b>	Inpatient
<b>Compromise Amount Offered</b>	\$33,086*	<b>Date of Service</b>	06/25/2005-07/05/2005
		<b>% of Payment Recovered</b>	125%

**JUSTIFICATION**

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at Providence Holy Cross Medical Center and incurred total inpatient charges of \$122,293 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$26,500. The patient's third-party claim has been settled for \$100,000 and his attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement (\$100,000)</b>
<b>Attorney fees</b>	\$40,000	\$33,333	33.3%
<b>Attorney Cost</b>	\$496	\$496	.5%
<b>Los Angeles County</b>	\$122,293	\$33,086*	33.1%
<b>Patient</b>		\$33,085	33.1%
<b>Total</b>		\$100,000	100.00%

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

\* Represents 125% of the amount Los Angeles County paid to Providence Holy Cross Medical Center from the Los Angeles County Trauma Fund. All payments received will replenish the Trauma Fund.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2  
DATE: October 10, 2006

<b>Total Charges (Providing Facility)</b>	\$25,451	<b>Account Number</b>	EMS73
<b>Amount Paid to Providing Facility</b>	\$3,800	<b>Service Type</b>	ER
<b>Compromise Amount Offered</b>	\$5,000*	<b>Date of Service</b>	07/24/2004
		<b>% of Payment Recovered</b>	131.5%

### JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at St. Francis Medical Center and incurred total inpatient charges of \$25,451 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$3,800. The patient's third-party claim has been settled for \$10,331 and his attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement (\$ 10,331)</b>
<b>Attorney fees</b>	\$3,333	\$0	0%
<b>Los Angeles County</b>	\$25,451	\$5,000*	48.4%
<b>Patient</b>		\$5,331	51.6%
<b>Total</b>		\$10,331	100.00%

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

\* Represents 131.5% of the amount Los Angeles County paid to St. Francis Medical Center from the Los Angeles County Trauma Fund. All payments received will replenish the Trauma Fund.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3  
DATE: October 10, 2006

<b>Total Charges (Providing Facility)</b>	\$112,082	<b>Account Number</b>	EMS74
<b>Amount Paid to Providing Facility</b>	\$24,700	<b>Service Type</b>	Inpatient
<b>Compromise Amount Offered</b>	\$4,700*	<b>Date of Service</b>	12/11/2004-12/20/2004
		<b>% of Payment Recovered</b>	19%

### JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at St. Mary's Medical Center and incurred total inpatient charges of \$112,082 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$24,700. The patient's third-party claim has been settled for \$15,000 and his attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement (\$15,000)</b>
<b>Attorney fees</b>	\$5,000	\$5,000	33.3%
<b>Attorney Cost</b>	\$450	\$0	0%
<b>Los Angeles County</b>	\$112,082	\$4,700*	31.3%
<b>Other Lien Holders</b>	\$1,320	\$300	2.0%
<b>Patient</b>		\$5000	33.4%
<b>Total</b>		\$15,000	100.00%

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

\* Represents 19% of the amount Los Angeles County paid to St. Mary's Medical Center from the Los Angeles County Trauma Fund. All payments received will replenish the Trauma Fund.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4  
DATE: October 10, 2006

<b>Total Charges (Providing Facility)</b>	\$22,389	<b>Account Number</b>	EMS71
<b>Amount Paid to Providing Facility</b>	\$3,800	<b>Service Type</b>	ER
<b>Compromise Amount Offered</b>	\$3,800*	<b>Date of Service</b>	09/02/2005
		<b>% of Payment Recovered</b>	100%

### JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at Providence Holy Cross Medical Center and incurred total inpatient charges of \$22,389 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$3,800. The patient's third-party claim has been settled for \$28,500 and his attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement (\$28,500)</b>
<b>Attorney fees</b>	\$11,400	\$11,400	40.0%
<b>Attorney Cost</b>	\$672	\$672	2.4%
<b>Los Angeles County</b>	\$22,389	\$3,800*	13.3%
<b>Other Lien Holders</b>	\$8,100	\$5,472	19.2%
<b>Patient</b>		\$7,156	25.1%
<b>Total</b>		\$28,500	100.00%

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

\* Represents 100% of the amount Los Angeles County paid to Providence Holy Cross Medical Center from the Los Angeles County Trauma Fund. All payments received will replenish the Trauma Fund.